


The court incorporates by reference in this paragraph and adopts as the findings and orders of this court the document set forth below. This document has been entered electronically in the record of the United States Bankruptcy Court for the Northern District of Ohio.




John P. Gustafson
United States Bankruptcy Judge

Dated: December 17 2019

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

In Re)	Case No. 19-42174
)	
California Palms, LLC,)	
)	Chapter 11
Debtor.)	
)	
)	JUDGE JOHN P. GUSTAFSON

ORDER RE: RECEIVER'S REQUEST FOR INSTRUCTIONS

This case came before the court for hearing on December 16, 2019 on Receiver John K. Lane's ("Receiver") Request for Instructions [Doc. #10]. At the December 16th hearing, counsel for Debtor California Palms, LLC ("Debtor"), counsel for Creditor Pender Capital Asset Based Lending Fund I, LP ("Pender"), and counsel for Receiver all agreed that the Receiver should remain involved in this case in some capacity. The court has determined that the Receiver should only perform limited oversight duties necessary to maintain the status quo while the court hears and decides important initial matters such as Pender's Motion to Dismiss [Doc. #20], which is scheduled for hearing on December 30, 2019.

The parties agree, and the court finds, that the Receiver is not in possession of any property that would be required to be turned over under Section 543.

Further, Debtor consented to the Receiver continuing to perform limited duties as outlined in this order, and Debtor agreed to cooperate with and otherwise assist Receiver as is necessary for him to carry out this court's instructions. Debtor also agreed to pay the Receiver the sum of \$25,000.00 to assist in his carrying out his limited duties. The court notes that, subject to the express instructions contained in this order, the Mahoning County Court of Common Pleas' Stipulated Order Appointing Receiver [Doc. #20, Ex. B] remains stayed pursuant to 11 U.S.C. §362(a).

In light of the above, the court will issue the following instructions regarding Receiver's limited duties while Pender's Motion to Dismiss remains pending. The Receiver shall, on a schedule that he determines to be sufficient: (1) confirm that the real property located at 1051 N. Canfield-Niles Road, Austintown, Ohio ("Austintown Property") remains covered by an appropriate insurance policy; (2) confirm that utilities for the Austintown Property remain paid in full; (3) obtain a periodic patient census from Debtor regarding the number of the patients remaining at the Austintown Property; and (4) otherwise monitor the Austintown Property with an eye towards maintaining the safety and security of the property and preserving the status quo.

IT IS THEREFORE ORDERED that until further Order of the court and pursuant to this court's powers under 11 U.S.C. Section 543(d), Receiver John K. Lane shall: (1) confirm that the real property located at 1051 N. Canfield-Niles Road, Austintown, Ohio ("Austintown Property") remains covered by an appropriate insurance policy; (2) confirm that utilities for the Austintown Property remain paid in full; (3) obtain a periodic patient census from Debtor regarding the number of the patients remaining at the Austintown Property; and (4) otherwise monitor the Austintown Property with an eye towards maintaining the safety and security of the property and preserving the status quo.

IT IS FURTHER ORDERED that Debtor California Palms, LLC cooperate with and assist Receiver in his carrying out the above instructions.

IT IS FURTHER ORDERED that the Receiver John K. Lane shall have full physical access to the Austintown Property unless and until the court orders otherwise.